HORIZONS

Brock Hotel Corporation

Issue 2 Summer, 1987

Vaughnde Morris

"Suite Happenings!"

Greenville Selected to Top 10!
It was recently announced at The Residence Inn Annual Conference in Dallas, that the Residence Inn of Greenville, S.C., under the direction of General Manager **Vaughnde Morris**, was selected to be in the TOP-10 Hotels in the Residence Inn entire system, nationwide, for 1986. Congratulations to Vaughnde and the rest of the staff at Greenville: **Mary Lock**, Asst. General Manager; **Linda Wiggins**, Director of Sales; **Jeanne Bender**, Executive Housekeeper and **Thomas Gilstrap**, Maintenance Engineer.

Reggie Strikes Again!
Brock Hotel Corporation, Hotel Division, "Employee of the Year", **Reggie Epps**, of the Residence Inn in Raleigh, was selected as one of the three top maintenance engineers in the Residence Inn System for 1986. Way to go Reggie! Keep those Awards coming in!

Also announced at The Residence Inn Conference were the Top-3 Gatehouse Attendants...Congratulations to **Lee Brailsford** from BHC's Greenville Residence Inn. Lee played a key role in helping this hotel achieve the Top Award and we're very proud of her!

Budgeted GOP Exceeded by $121,000!
First Quarter results indicate that Brock's Residence Inns exceeded Budget Gross Operating Profit by $121,000! Congratulations on such a fine performance. Residence Inn's GM's and staff indicate that even greater improvements are on the way! Great job team! Keep it up!

Princeton Breaks Ground!
It was reported by Sr. Project Manager, **Ted Carter**, that our newest Residence Inn project in Princeton, N.J. has broken ground! It is scheduled to open in November, 1987, with the Gatehouse and 32 suites. When completed, this hotel will feature 128 suites with the capability of expanding to 208 suites. This hotel is located near Princeton University and feasibility studies indicate that we should have a real winner in this hotel!

Lee Brailsford

Standing left: Dana McDonald, June Pierce, Pat Bifano, Michelle Short, Jeff Horton and Greg Scott. Seated: Odom Sherman and Carrie Colow

New Department's Work Is Very Taxing

On February 1, **Odom Sherman**, Tax Manager and his staff implemented in-house tax administration for Brock Hotel Corporation. This department analyzes and administers all sales and use tax, property taxes, non-income tax reporting, tax annual reports, business licenses, tax audits and assessments. Approximately 1,500 returns are prepared and filed each year.

According to Odom, one of the largest current tasks is evaluating large BHC assessments levied by states. Each assessment will be reviewed and appealed according to the findings. To date, many of the assessments have been unwarranted.

The department spends a great deal of time researching to insure minimum tax payments as required by law.

Communications And Our Company

HORIZONS will be published quarterly for BHC employees. To make it a more effective tool, we need input from you. Please send us information or happenings at your location. All photos must be black and white. The team working on this project is **Lois Perry**, Editor and Restaurant representative; **Charlotte Burke**, Hotel rep; and **Jerri Smith**, Corporate rep. Information can be sent to any of us!

From left: Charlotte Burke, Jerri Smith and Lois Perry

International Restaurants

There are 12 ShowBiz/Chuck E. Cheese franchises in Canada, Guatemala, Mexico and Hong Kong. The Guadalajara ShowBiz Pizza Fiesta recently hosted a breakfast for more than 350 children. The guest of honor was Virginia Barza de Alvarez del Castillo, the president of the Government Ministry of Education and the wife of the State Governor.

Thomas J. Corcoran, Jr.
President & Chief Executive Officer
Brock Hotel Corporation

A Letter From Our President

Brock Hotel Corporation

From The Desk Of The President/CEO
Thomas J. Corcoran, Jr.

Dear Employees,

The first quarter was fantastic! I am extremely pleased with the results from all of your hard work which contributed to the reported earnings of $2,519,000.00 for the quarter. I am confident that we can continue the positive trend in sales for the hotels and the restaurants.

The Company held its annual meeting of stockholders on April 28, 1987 at which time the following proposals were approved by the stockholders:

1. The re-election of Anthony J. Gumbiner, Richard M. Frank and myself to the Company's Board of Directors.

2. The increase of authorized shares of the Company's Common Stock from 10 million to 20 million. This increase will allow us flexibility to utilize stock for acquisitions in the future.

We also intend to have an equity offering in the second or third quarter to raise money to pay for the Monterey House purchase and provide additional funds for capital improvements in the hotel and restaurant divisions.

I am very pleased with these results. I'm proud of the effort made by each of you at the unit level - where it all happens. Keep up the good work as we continue to improve performance and profitability.

Best regards,

Thomas J. Corcoran, Jr.
President and
Chief Executive Officer

We've Got To Make Money

Michael Di Francesco, Suffern Director of Food and Beverage was arrested April 29. Bail was set at $2,000. The bail money was raised and donated to the American Cancer Society. The ACS collected over $40,000 at the fundraiser held in the Holidome.

Bill Mahery and the BHC Residence Inn General Managers hard at work!

"Hotel Potpourri"

Here's what's happening...

- Minneapolis-Brooklyn Center: Six employees participated in the March of Dimes, "Walk/America." They walked 80 miles all together with three completing the entire route, taking 5 hrs. There were over 4,000 participants to raise money to "Fight Against Birth Defects." Great going team!

- Miami-Calder hotel is now called "Miami-Sports Center". Why? One good reason is the new Dolphin football stadium opens up 8/16/87...*SUPER-BOWL IN '89!!!* Should increase occupancy!

- Ft. Myers-Riverfront, Fl: No details yet but May 9 they will host a leukemia society "Swim-A-Thon."

- Suffern, NY: Easterbunny arrived safely and the American Cancer Society will be hosting their "Jail 'n Bail" fundraiser at our hotel.

- Do you know how many hotels are in the Brock Hotel Corporation system? 39 hotels!

- Park Inn-Big Spring, Texas: they passed their inspection!

- If you've got some "Potpourri" news that could be used in the next newsletter, call Charlotte Burke at BHC.

- Charleston Residence Inn in South Carolina receives the "**JOBMAKERS AWARD**" for 1986 by the S. Carolina Department of Parks, Recreation & Tourism. Keep those awards coming!

- Ft. Myers-Riverfront, FL., was the location of the Lee Co. Leukemia Super Swim Classic, May 2. Employees at the Inn collected donations to be validated per laps. Two employees, Julie Gore and Suzanne Kowalski, raised over $900.00. Julie, a former collegiate swimmer, managed 250 continuous laps while Suzanne stroked 150 lengths. A swim for charity!

- Racine, WI, would like to express their special thanks to Phyliss Popidi, who just retired. She has been with them for 13 years, an excellent cook, and a good friend! We miss you Phyliss!! Other news from Racine...Promotions: Peggy Baab-Front Desk Mgr.; Kim Davis, Banquet Coordinator.

- BOWLING!! Des Moines-Merle Hay reports that their team placed second in the league thanks to the efforts of Rod, Marcus, Jan and Jean. Special Note: Jan has been at this hotel for 17 years!

- GIS SCORES!! For "Most improved" for Region 4-Des Moines-Merle Hay.

Introducing...Vincent Sikora

Vincent T. Sikora has been named Executive Vice President and President-Hotel Division of Brock Hotel Corporation. Mr. Sikora comes to Brock Hotel Corporation from Interstate Hotel Corporation, Pittsburg, Pennsylvania.

Mr. Sikora was with Interstate Hotel for three years and was with the Marriott Corporation for 18 years. While he has spent most of his time in hotel operations, he also has a background in financial operations as well. As President of the Hotel Division, he will be responsible for hotel operations, overseeing the company's hotel capital reinvestment program, and providing direction in hotel acquisition opportunities.

Vincent T. Sikora
Executive Vice President
Brock Hotel Corporation
President-Hotel Division

Managing Our Future

As the newest member of the Brock Hotel Corporate Management team, I would like to express to each of you my excitement level regarding my perception of the potential of Brock Hotel Corporation and also my commitment to this new opportunity and responsibility. I am eagerly looking forward to my initial evaluation visits to each hotel property and the opportunity to meet as many of you as possible.

We have a major challenge ahead to re-strengthen and reposition a great company that has been a leader in the hospitality industry many times during its 30-year history.

Many of our hotel properties will require repositioning. To do this, we will need to make physical changes and upgrades, repolish our local images, and introduce new operational procedures to help us become stronger in our marketplaces. Our positioning of each property must address the greatest potential market area and populace and then, we must work hard to capture our fair share of those markets.

The Hotel Division's primary goal this year must be two-pronged--increase profitability and enhance long-term viability of our hotels. To do this, we must ensure that our product has an excellent price value relationship in the eyes of our present and potential customers. Our hotels should stick to what they do well--provide what most patrons want--not try to be all things to all people.

All of the above depends on our practicing and accomplishing the **BASICS**-Our commitment to the future must encompass the following:

1) HOSPITALITY - A strong commitment by all employees, both hourly and management, to rekindle and enhance the "hospitality spirit"-simply stated, this is the art and actions that relate to caring for people--making their experience in our facilities a positive hassle-free one--and even more importantly, letting our customers know how much we appreciate their business and want them to return. Genuine smiles, positive body language, simple courtesy and mutual respect are the hallmarks of hospitality.

2) MARKETING - We must constantly re-analyze our current and potential customer base. New customer tracking systems will be instituted to aid this process. As part of the marketing function, we must analyze our changing competition and honestly evaluate our position and implement action steps accordingly. Research will be very important as it relates to a better understanding of who our customers are and what they want and need. To capture our fair share of the market, each property action plan must include aggressive solicitation and selling goals. Tracking of these accomplishments in relationship to efforts and expenditures will be of paramount importance. Innovative promotional efforts will also be an essential day-to-day activity.

3) FINANCIAL CONTROLS AND ADMINISTRATIVE PROCEDURE-Renewed emphasis will be placed on enforcing existing policies and procedures. Over a period of time as the need surfaces, revisions will be made to these policies that seem weak or outdated. It is very important that everyone follow our defined method of conducting business to eliminate confusion, avoid unnecessary financial losses and ensure equity and equality to all employees.

4) TRAINING--In our ever-changing and fast-paced business, training of both hourly and management personnel must become a high priority. Each of us must learn to do our jobs a little better each day. Effective, ongoing training, must take place to ensure career advancement opportunities for all qualified and interested employees. Also, service levels can only be improved through the training process.

5) TEAMWORK--It is obvious that a great team spirit exists already--it had to be for Brock Hotel Corporation to have successfully weathered the last couple of years and to remain as strong as it is today. Our goal will be to enhance this crucial element - to build an even stronger team. With everyone's commitment to being an effective team member, we will have little difficulty in meeting the challenges in the growth years ahead. Most importantly, as active, positive team members, all of our jobs will be more rewarding and fun.

I look forward to the opportunity to work with all of you, to address your needs and those of our customers and to share the success that lies ahead for all of us as members of the Brock Hotel Corporation team.

Vincent T. Sikora

Richard M. Frank
Chairman & Chief Executive Officer
ShowBiz Pizza Time, Inc.

The Frank Report

Thanks to all of you, we started 1987 with exciting results. At the end of the first quarter, our ShowBiz/Chuck E. Cheese sales were up 7.3% over 1986, and we saw a profit in excess of $2 million. Keep up the good work!

As we move toward mid-year, I am very pleased to welcome **Terry Speight** as Executive Vice President, Director of Operations. Terry brings an excellent track record in his business accomplishments and an expertise in developing outstanding people. He most recently was Regional Vice President of Operations for Steak and Ale restaurants and was based in Florida. We believe we have an exciting future ahead of us, and Terry will play a significant role in our continued success.

1987 looks good for our Company, but we cannot become complacent. Past accomplishments are just that - they are in the past. Our focus as an organization continues to be toward the present and future with our priorities always centering on what we can do, each one of us within our own areas of responsibility, to better meet the needs of our guests.

Thus, I am excited and proud of our start in 1987, but our only insurance for the future, from a business standpoint, is to focus on what is important- satisfying our guests. Our continued success depends on each of you!

Thanks for your support.

Terry Speight
Executive Vice President
Director of Operations
ShowBiz Pizza Time, Inc.

Marci Holland, Employee Benefits Administrator

The Flexible Benefit Plan

The Flexible Benefit Plan (FBA) is an additional feature to the 401(k)/$5 a week Stock & Savings Plan. You may participate in the FBA even though you do not participate in either of the stock and savings plans. This allows you to pay certain medical expenses, not covered by an insurance medical plan, and child care expenses, on a **Tax Free** basis. Enrollment in the Brock Hotel Corporation group insurance plan automatically enrolls you in the FBA for **Tax-Free Premium** participation. **A Super Savings For You.**

The different items for which you can use your FBA are anticipated medical expenses, anticipated expenses for convalescent or nursing home care, and anticipated child care expenses. The amount of your FBA deposits should be carefully estimated because any amounts that you do not actually spend for the accounts **will be forfeited.**

The eligibility requirements are full time employment, 21 years of age, at least six months employment. If child care expenses are involved, both parents of a two parent home must be working.

The enrollment dates are November 1, February 1, May 1 and August 1.

To begin your FBA, you elect to deposit a specific amount of money into your account to pay for your medical and child care expenses with **Tax-Free Dollars.** This election cannot be revoked for a year, except in cases of a change in family status or termination of employment of Participant or spouse.

This is a **Dynamite Benefit** and we hope all of you, when eligible, will take advantage of it.

Just For The Record...

The Accounting Operations moved in-house in October, 1986. The Records Department has been created to monitor the relocation of Accounting Operations records and to maintain control over the records once they reached corporate headquarters.

Records of accounting functions, and each property's records were transferred over a period of three months. Location records which are updated and reviewed monthly are housed in a central filing area for easy access. The permanent file room was established to store all legal documents. In addition, two offsite storage facilities have been secured to retain additional corporate records.

Microfilming is an important function of the Records Department. Microfilming allows quick access to documents while allowing storage in a minimum amount of space. Currently the department is microfilming 40,000 payable invoices per month in addition to monthly hotel documentation and weekly restaurant reports.

Jana Cantes, microfilm file clerk

Marty Giardina
Director of Concept Development
ShowBiz Pizza Time, Inc.

Food Developments

ShowBiz and Chuck E. Cheese have the corner on the market in getting children to come in, but to keep their parents coming back we must continually monitor and upgrade the quality of our food.

New Products
Italian Calzones and Breadsticks have been introduced in all Company locations this year. The Calzones expand our menu while Breadsticks are an added sales building item. Sales to date have been encouraging. **Marty Giardina**, Director of Concept Development, stated that the smooth implementation was due to several factors. First, the products were tested and improved in the Dallas/Ft. Worth stores. When the roll-out began, **Bill Glassner**, Training Director; **Don Creasey** and **Greg Barton**, Regional Training Managers, traveled through each district to assure proper training and realistic implementation schedules. From there, a smooth, well planned implementation by each Manager made the project successful. Thanks to all of you for your help!

Continual Upgrade
To be sure we are keeping on top of what our customers expect and want, continual monitoring of all products will occur. Our pizza will continue to improve as we upgrade individual items. The salad bars and all other food products will be evaluated and improved.

New Projects
Two major projects in the testing stage are new sandwiches which are being tested in California, and ways to improve the entire birthday package for our guests. We'll keep you posted as these and other projects are completed.

Your Role
Our motto is "Every guest leaves happy," and we appreciate everything that you do to make that happen.

Audit Department Welcomes New Staff

Monitoring approximately forty hotel properties, 120 restaurants plus 150 franchise restaurants and corporate functions is no easy task. In order to administer the many auditing functions, the Internal Auditing Department required additional staff. Joining Bill Smith, Audit Manager and Lee Stewart, Auditor, are **Mary Ann Baranski, Ken Sandoval** and **Larry McGilbra.** Mary Ann was formerly the Controller at Holiday Inn, D-FW South. Ken has five years experience in public and private accounting and Larry has been in manufacturing and service related auditing for thirteen years.

From left: Mary Ann Baranski, Ken Sandoval and Larry McGilbra

"Jennifer" and "Jeffrey", stars of the current ShowBiz and Chuck E. Cheese commercials. The TV campaign is aimed at bringing families to our restaurants for a good time.

HORIZONS - BROCK HOTEL CORP
COMPANY NEWSLETTER

(Issue 2, Summer 1987 - Xeroxed Copy)

Date of Origin: 1987
Archived: 5-12-08
Submission by Andy F.
Version 1.0

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